

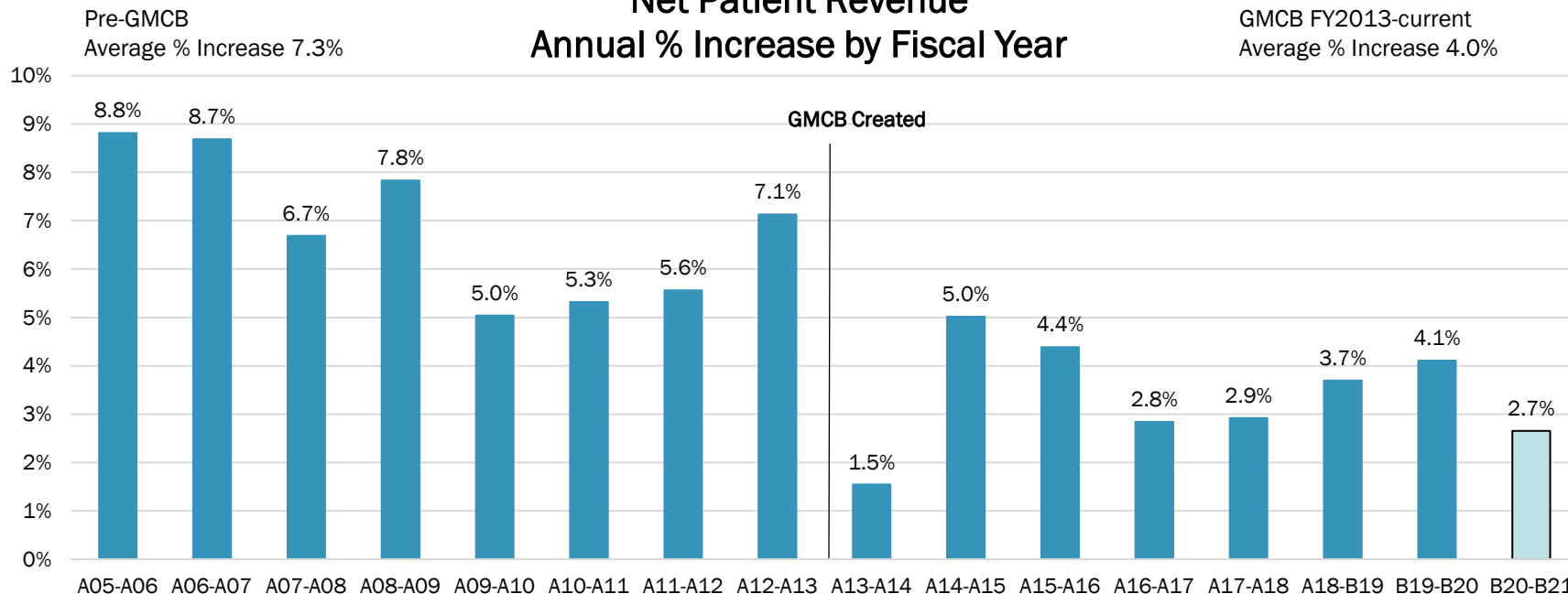
Fiscal Year 2021 Hospital Budget Summary

Report Date: September 29, 2020

GMCB Health System Finance Team

All Vermont Community Hospitals Net Patient Revenue Annual % Increase by Fiscal Year

GMCB FY2013-current
Average % Increase 4.0%



Notes:

A = Actual

B=Budget

GMCB assumed responsibility for reviewing and approving hospital budgets in FY2013

Results for FY2001-2011 were adjusted to reflect bad debt reporting change in FY2012

FY21 Budgets were approved with adjustments for accounting changes and provider transfers at 2.68%

This graph includes Vermont's 14 community hospitals; it excludes the Vermont Psychiatric Care Hospital, Brattleboro Retreat, and the VA (U.S. Department of Veterans Affairs) Medical Center in White River Junction. Net Patient Revenue (NPR) is monies hospitals will receive for services after accounting for contractual allowances, commercial discounts, bad debt and free care.

Approved NPR/FPP: FY2021

Hospital	FY2021 Requested	FY2021 Approved	Difference in NPR/FPP	Approved % Change FY2020-2021	Approved % Change FY2020-2021 After Adjustments
Brattleboro Memorial Hospital	\$ 92,802,428	\$ 92,802,428	\$ -	5.28%	5.77%
Central Vermont Medical Center	\$ 237,013,421	\$ 236,081,039	\$ 932,382	8.27%	8.27%
Copley Hospital	\$ 77,070,621	\$ 76,189,786	\$ 880,835	4.86%	4.86%
Gifford Medical Center	\$ 52,083,148	\$ 52,083,148	\$ -	-0.57%	-0.57%
Grace Cottage Hospital	\$ 21,029,541	\$ 20,666,695	\$ 362,846	3.50%	3.50%
Mt. Ascutney Hospital & Health Ctr	\$ 56,211,389	\$ 56,211,389	\$ -	4.57%	4.57%
North Country Hospital	\$ 82,736,965	\$ 82,736,965	\$ -	-1.06%	-1.06%
Northeastern VT Regional Hospital	\$ 90,525,300	\$ 90,525,300	\$ -	3.75%	3.75%
Northwestern Medical Center	\$ 116,693,229	\$ 112,015,717	\$ 4,677,512	-4.20%	-3.88%
Porter Medical Center	\$ 89,810,556	\$ 89,324,352	\$ 486,204	2.10%	2.10%
Rutland Regional Medical Center	\$ 247,487,684	\$ 247,487,684	\$ -	-7.58%	-7.58%
Southwestern VT Medical Center	\$ 167,089,128	\$ 167,089,128	\$ -	-3.02%	-3.02%
Springfield Hospital	\$ 51,518,932	\$ 50,600,311	\$ 918,621	3.50%	3.50%
University of Vermont Medical Center	\$ 1,424,974,332	\$ 1,415,656,433	\$ 9,317,899	5.01%	5.01%
All Vermont Community Hospitals	\$ 2,807,046,674	\$ 2,789,470,374	\$ 17,576,300	2.65%	2.68%

Percentage of FY2020 Budget to Submitted FY2021 Budget NPR/FPP Variance System Totals



Hospital	FY2020 Budget NPR/FPP	FY2021 Submitted Budget NPR/FPP	FY2020 Budget to FY2021 Budget \$ Variance	FY2020 Budget to FY2021 Budget % Variance	% of Variance Total
Brattleboro Memorial Hospital	\$ 88,145,092	\$ 92,802,428	\$ 4,657,336	5.3%	5.2%
Central Vermont Medical Center	\$ 218,043,247	\$ 237,013,421	\$ 18,970,173	8.7%	21.1%
Copley Hospital	\$ 72,658,362	\$ 77,070,621	\$ 4,412,259	6.1%	4.9%
Gifford Medical Center	\$ 52,382,984	\$ 52,083,148	\$ (299,836)	-0.6%	-0.3%
Grace Cottage Hospital	\$ 19,967,821	\$ 21,029,541	\$ 1,061,720	5.3%	1.2%
Mt. Ascutney Hospital & Health Ctr	\$ 53,755,559	\$ 56,211,389	\$ 2,455,830	4.6%	2.7%
North Country Hospital	\$ 83,623,249	\$ 82,736,965	\$ (886,284)	-1.1%	-1.0%
Northeastern VT Regional Hospital	\$ 87,253,844	\$ 90,525,300	\$ 3,271,456	3.7%	3.6%
Northwestern Medical Center	\$ 116,926,579	\$ 116,693,229	\$ (233,350)	-0.2%	-0.3%
Porter Medical Center	\$ 87,487,539	\$ 89,810,556	\$ 2,323,017	2.7%	2.6%
Rutland Regional Medical Center	\$ 267,787,827	\$ 247,487,684	\$ (20,300,143)	-7.6%	-22.6%
Southwestern VT Medical Center	\$ 172,284,645	\$ 167,089,128	\$ (5,195,517)	-3.0%	-5.8%
Springfield Hospital	\$ 48,889,189	\$ 51,518,932	\$ 2,629,743	5.4%	2.9%
University of Vermont Medical Center	\$ 1,348,125,703	\$ 1,424,974,332	\$ 76,848,629	5.7%	85.7%
All Vermont Community Hospitals	\$ 2,717,331,641	\$ 2,807,046,674	\$ 89,715,033	3.3%	100%

Percentage of FY2020 Budget to Approved FY2021 Budget NPR/FPP Variance System Totals



Hospital	FY2020 Budget NPR/FPP	FY2021 Approved Budget NPR/FPP	FY2020 Budget to FY2021 Approved \$ Variance	FY2020 Budget to FY2021 Approved % Variance	% of Variance Total
Brattleboro Memorial Hospital	\$ 88,145,092	\$ 92,802,428	\$ 4,657,336	5.3%	6.5%
Central Vermont Medical Center	\$ 218,043,247	\$ 236,081,039	\$ 18,037,791	8.3%	25.0%
Copley Hospital	\$ 72,658,362	\$ 76,189,786	\$ 3,531,424	4.9%	4.9%
Gifford Medical Center	\$ 52,382,984	\$ 52,083,148	\$ (299,836)	-0.6%	-0.4%
Grace Cottage Hospital	\$ 19,967,821	\$ 20,666,695	\$ 698,874	3.5%	1.0%
Mt. Ascutney Hospital & Health Ctr	\$ 53,755,559	\$ 56,211,389	\$ 2,455,830	4.6%	3.4%
North Country Hospital	\$ 83,623,249	\$ 82,736,965	\$ (886,284)	-1.1%	-1.2%
Northeastern VT Regional Hospital	\$ 87,253,844	\$ 90,525,300	\$ 3,271,456	3.7%	4.5%
Northwestern Medical Center	\$ 116,926,579	\$ 112,015,717	\$ (4,910,862)	-4.2%	-6.8%
Porter Medical Center	\$ 87,487,539	\$ 89,324,352	\$ 1,836,812	2.1%	2.5%
Rutland Regional Medical Center	\$ 267,787,827	\$ 247,487,684	\$ (20,300,143)	-7.6%	-28.1%
Southwestern VT Medical Center	\$ 172,284,645	\$ 167,089,128	\$ (5,195,517)	-3.0%	-7.2%
Springfield Hospital	\$ 48,889,189	\$ 50,600,311	\$ 1,711,122	3.5%	2.4%
University of Vermont Medical Center	\$ 1,348,125,703	\$ 1,415,656,433	\$ 67,530,730	5.0%	93.6%
All Vermont Community Hospitals	\$ 2,717,331,641	\$ 2,789,470,374	\$ 72,138,733	2.7%	100%

FY2020 Budget to Submitted FY2021 Budget NPR/FPP Commercial Payer Increase/Decrease



Hospital	FY2020 Budget NPR/FPP	FY2021 Submitted Budget NPR/FPP	FY2020 Budget to FY2021 Budget \$ Variance	% of Variance Total
Brattleboro Memorial Hospital	\$ 48,217,962	\$ 43,202,998	\$ (5,014,964)	-8%
Central Vermont Medical Center	\$ 113,314,970	\$ 115,320,369	\$ 2,005,399	3%
Copley Hospital	\$ 43,109,808	\$ 44,041,755	\$ 931,947	1%
Gifford Medical Center	\$ 27,834,064	\$ 28,852,530	\$ 1,018,466	2%
Grace Cottage Hospital	\$ 5,553,215	\$ 7,064,962	\$ 1,511,747	2%
Mt. Ascutney Hospital & Health Ctr	\$ 18,506,776	\$ 19,607,931	\$ 1,101,155	2%
North Country Hospital	\$ 39,819,888	\$ 41,324,043	\$ 1,504,155	2%
Northeastern VT Regional Hospital	\$ 38,687,150	\$ 39,517,200	\$ 830,050	1%
Northwestern Medical Center	\$ 58,075,938	\$ 64,676,115	\$ 6,600,177	10%
Porter Medical Center	\$ 46,137,651	\$ 46,618,412	\$ 480,761	1%
Rutland Regional Medical Center	\$ 139,520,850	\$ 127,740,181	\$ (11,780,669)	-18%
Southwestern VT Medical Center	\$ 86,761,624	\$ 83,602,866	\$ (3,158,758)	-5%
Springfield Hospital	\$ 21,954,107	\$ 24,309,027	\$ 2,354,920	4%
University of Vermont Medical Center	\$ 804,246,739	\$ 869,864,544	\$ 65,617,805	103%
All Vermont Community Hospitals	\$ 1,491,740,742	\$ 1,555,742,933	\$ 64,002,191	100%

Approved Change in Charges: FY2021



Vermont Hospitals Annual Change in Charge Increase History

	2019	2020		2021		2021 COVID-19		2021		2021 COVID-19	
	Approved	Approved	Commercial Effective Rate	Submitted	Commercial Effective Rate	Submitted	Commercial Effective Rate	Approved	Commercial Effective Rate	Approved	Commercial Effective Rate
Brattleboro Memorial Hospital	3.9%	3.4%		2.9%	2.9%	2.0%	2.0%	2.9%	2.9%	2.0%	2.0%
Central Vermont Medical Center	2.3%	3.0%	5.9%	6.0%	8.5%			6.0%	4.0%	0.0%	3.0%
Copley Hospital	4.5%	9.8%		8.0%				4.0%	0.0%	2.0%	0.0%
Gifford Medical Center	4.0%	5.0%		4.0%				4.0%	0.0%	0.0%	0.0%
Grace Cottage Hospital	3.2%	3.2%		3.2%				3.2%	0.0%	0.0%	0.0%
Mt. Ascutney Hospital & Health Center	2.9%	3.2%		2.4%		2.2%		2.1%	0.0%	2.5%	0.0%
North Country Hospital	3.6%	4.2%		3.6%				3.6%	0.0%	0.0%	0.0%
Northeastern VT Regional Hospital	3.0%	3.0%		2.8%		1.1%		2.8%	0.0%	1.1%	0.0%
Northwestern Medical Center	2.0%	5.9%		19.9%		1.2%		10.0%	0.0%	3.0%	0.0%
Porter Medical Center	2.8%	0.0%	2.6%	0.0%	5.8%			0.0%	3.0%	0.0%	1.0%
Rutland Regional Medical Center	2.6%	2.65%		6.0%				4.0%	0.0%	2.0%	0.0%
Southwestern VT Medical Center	3.0%	2.8%		3.5%				3.5%	0.0%	0.0%	0.0%
Springfield Hospital	10.0%	0.0%		4.0%				4.0%	0.0%	0.0%	0.0%
The University of Vermont Medical Center	2.5%	3.0%	3.5%	8.0%	8.0%			6.0%	4.00%	0.0%	2.0%
Estimated Weighted Average For All Hospitals**	2.9%	3.1%	n/a	6.8%	n/a	0.2%	n/a	5.1%	n/a	0.5%	n/a

**Estimated Weighted Average for All Hospitals is calculated by factoring in each hospital's proportion of gross revenue to the change in charges (rate).

FY2021 Budget NPR/FPP

Due to COVID-19 Change in Charge



Hospital	FY2021 Budget NPR/FPP COVID-19 related
Brattleboro Memorial Hospital	\$ 872,242
Central Vermont Medical Center	\$ 1,864,764
Copley Hospital	\$ 1,347,938
Gifford Medical Center	
Grace Cottage Hospital	
Mt. Ascutney Hospital & Health Ctr	\$ 1,122,303
North Country Hospital	
Northeastern VT Regional Hospital	\$ 415,100
Northwestern Medical Center	\$ 1,736,700
Porter Medical Center	\$ 277,831
Rutland Regional Medical Center	\$ 2,754,916
Southwestern VT Medical Center	
Springfield Hospital	
University of Vermont Medical Center	\$ 9,459,796
All Vermont Community Hospitals	\$ 19,851,590

Operating Margins (\$): Actuals FY2015-2019

Hospital	FY2015 Actuals	FY2016 Actuals	FY2017 Actuals	FY2018 Actuals	FY2019 Actuals	5-Year Total
Brattleboro Memorial Hospital	\$2,195,878	-\$437,372	-\$2,437,207	-\$1,924,959	\$670,579	-\$1,933,082
Central Vermont Medical Center	\$5,326,172	\$2,049,956	-\$1,902,075	-\$7,868,458	-\$4,677,987	-\$7,072,392
Copley Hospital	\$4,002,957	-\$84,921	-\$377,946	-\$2,222,433	-\$2,161,242	-\$843,585
Gifford Medical Center	\$1,565,435	\$2,209,679	-\$874,293	-\$5,369,446	-\$413,707	-\$2,882,333
Grace Cottage Hospital	-\$1,655,590	-\$1,447,624	-\$1,270,782	-\$556,530	-\$1,301,798	-\$6,232,324
Mt. Ascutney Hospital & Health Ctr	-\$1,173,573	\$141,292	\$1,390,379	\$1,052,255	-\$42,885	\$1,367,466
North Country Hospital	\$2,844,141	\$141,751	-\$1,871,960	-\$1,883,575	\$1,676,946	\$907,303
Northeastern VT Regional Hospital	\$1,467,745	\$1,487,940	\$1,477,373	\$1,430,264	\$1,627,193	\$7,490,515
Northwestern Medical Center	\$10,064,415	\$3,655,142	-\$1,259,824	-\$3,729,620	-\$8,905,148	-\$175,035
Porter Medical Center	-\$1,748,578	\$1,450,905	\$2,196,330	\$1,492,207	\$4,705,271	\$8,096,135
Rutland Regional Medical Center	\$4,408,033	\$10,778,375	\$4,163,384	\$1,297,252	\$1,172,186	\$21,819,230
Southwestern VT Medical Center	\$5,207,193	\$5,298,810	\$5,775,890	\$7,618,119	\$5,583,044	\$29,483,056
Springfield Hospital	\$2,264,152	\$181,122	-\$3,835,857	-\$6,996,078	-\$8,238,925	-\$16,625,586
University of Vermont Medical Center	\$75,599,510	\$74,050,147	\$68,580,794	\$46,127,444	\$31,407,561	\$295,765,456
All Vermont Community Hospitals	\$110,367,890	\$99,475,201	\$69,754,205	\$28,466,441	\$21,101,087	\$329,164,824

Operating Margin (%): Actuals FY2015-2019

Hospital	FY2015 Actuals	FY2016 Actuals	FY2017 Actuals	FY2018 Actuals	FY2019 Actuals	5-Year Average
Brattleboro Memorial Hospital	2.8%	-0.6%	-3.1%	-2.4%	0.8%	-0.5%
Central Vermont Medical Center	2.9%	1.0%	-0.9%	-3.8%	-2.1%	-0.6%
Copley Hospital	6.2%	-0.1%	-0.6%	-3.3%	-3.2%	-0.2%
Gifford Medical Center	2.7%	3.9%	-1.6%	-10.7%	-0.8%	-1.3%
Grace Cottage Hospital	-9.8%	-8.0%	-6.9%	-2.9%	-6.7%	-6.9%
Mt. Ascutney Hospital & Health Ctr	-2.4%	0.3%	2.7%	1.9%	-0.1%	0.5%
North Country Hospital	3.5%	0.2%	-2.3%	-2.3%	1.9%	0.2%
Northeastern VT Regional Hospital	2.2%	2.0%	1.9%	1.7%	1.8%	1.9%
Northwestern Medical Center	9.7%	3.4%	-1.2%	-3.4%	-8.0%	0.1%
Porter Medical Center	-2.4%	1.9%	2.7%	1.8%	5.2%	1.8%
Rutland Regional Medical Center	1.9%	4.2%	1.6%	0.5%	0.4%	1.7%
Southwestern VT Medical Center	3.6%	3.4%	3.7%	4.6%	3.3%	3.7%
Springfield Hospital	3.9%	0.3%	-7.1%	-12.8%	-16.4%	-6.4%
University of Vermont Medical Center	6.3%	5.9%	5.2%	3.4%	2.2%	4.6%
All Vermont Community Hospitals	4.6%	3.9%	2.7%	1.1%	0.7%	2.6%

Operating Margins (\$): Impact of Approved NPR/FPP

Hospital	FY2021 Requested Operating Margin	FY2021 Operating Margin Based on Approval*	Variance
Brattleboro Memorial Hospital	\$ 442,186	\$ 442,186	\$ -
Central Vermont Medical Center	\$ 1,200,170	\$ 267,788	\$ (932,382)
Copley Hospital	\$ 438,593	\$ (442,242)	\$ (880,835)
Gifford Medical Center	\$ 986,772	\$ 986,772	\$ -
Grace Cottage Hospital	\$ 72	\$ (362,774)	\$ (362,846)
Mt. Ascutney Hospital & Health Ctr	\$ 172,624	\$ 172,624	\$ -
North Country Hospital	\$ 1,552,785	\$ 1,552,785	\$ -
Northeastern VT Regional Hospital	\$ 1,944,700	\$ 1,944,700	\$ -
Northwestern Medical Center	\$ 2,804,936	\$ (1,872,576)	\$ (4,677,512)
Porter Medical Center	\$ 4,374,863	\$ 3,888,659	\$ (486,204)
Rutland Regional Medical Center	\$ 1,700,750	\$ 1,700,750	\$ -
Southwestern VT Medical Center	\$ 191,930	\$ 191,930	\$ -
Springfield Hospital	\$ 184,739	\$ (733,882)	\$ (918,621)
University of Vermont Medical Center	\$ 40,275,652	\$ 30,957,753	\$ (9,317,899)

*The NPR/FPP adjustments as a result of the Board approvals are the only update for purposes of this calculation. Other operating revenues, operating expenses, and other items that impact operating margin were not adjusted as staff cannot make these adjustments. Commensurate reductions to expenses are not presented.

Operating Margins (%): Impact of Approved NPR/FPP

Hospital	FY2021 Requested Operating Margin	FY2021 Operating Margin Based on Approval*	Variance
Brattleboro Memorial Hospital	0.5%	0.5%	-
Central Vermont Medical Center	0.5%	0.1%	-0.4%
Copley Hospital	0.6%	-0.6%	-1.2%
Gifford Medical Center	1.8%	1.8%	-
Grace Cottage Hospital	0.0%	-1.6%	-1.6%
Mt. Ascutney Hospital & Health Ctr	0.3%	0.3%	-
North Country Hospital	1.7%	1.7%	-
Northeastern VT Regional Hospital	2.0%	2.0%	-
Northwestern Medical Center	2.3%	-1.6%	-3.9%
Porter Medical Center	4.5%	4.0%	-0.5%
Rutland Regional Medical Center	0.6%	0.6%	-
Southwestern VT Medical Center	0.1%	0.1%	-
Springfield Hospital	0.3%	-1.4%	-1.7%
University of Vermont Medical Center	2.5%	1.9%	-0.6%

*The NPR/FPP adjustments as a result of the Board approvals are the only update for purposes of this calculation. Other operating revenues, operating expenses, and other items that impact operating margin were not adjusted as staff cannot make these adjustments. Commensurate reductions to expenses are not presented.

Total Margins (\$): Impact of Approved NPR/FPP

Hospital	FY2021 Requested Total Margin	FY2021 Total Margin Based on Approval*	Variance
Brattleboro Memorial Hospital	\$ 1,142,186	\$ 1,142,186	\$ -
Central Vermont Medical Center	\$ 7,627,605	\$ 6,695,223	\$ (932,382)
Copley Hospital	\$ 740,793	\$ (140,042)	\$ (880,835)
Gifford Medical Center	\$ 1,936,772	\$ 1,936,772	\$ -
Grace Cottage Hospital	\$ 899,800	\$ 536,954	\$ (362,846)
Mt. Ascutney Hospital & Health Ctr	\$ 1,167,624	\$ 1,167,624	\$ -
North Country Hospital	\$ 2,139,384	\$ 2,139,384	\$ -
Northeastern VT Regional Hospital	\$ 1,944,700	\$ 1,944,700	\$ -
Northwestern Medical Center	\$ 4,478,611	\$ (198,901)	\$ (4,677,512)
Porter Medical Center	\$ 5,014,609	\$ 4,528,405	\$ (486,204)
Rutland Regional Medical Center	\$ 10,081,254	\$ 10,081,254	\$ -
Southwestern VT Medical Center	\$ 641,930	\$ 641,930	\$ -
Springfield Hospital	\$ 184,739	\$ (733,883)	\$ (918,621)
University of Vermont Medical Center	\$ 54,132,871	\$ 44,814,971	\$ (9,317,899)

*The NPR/FPP adjustments as a result of the Board approvals are the only update for purposes of this calculation. Other operating revenues, operating expenses, and other items that impact operating margin were not adjusted as staff cannot make these adjustments. Commensurate reductions to expenses are not presented.

Total Margins (%): Impact of Approved NPR/FPP

Hospital	FY2021 Requested Total Margin	FY2021 Total Margin Based on Approval*	Variance
Brattleboro Memorial Hospital	1.2%	1.2%	
Central Vermont Medical Center	2.9%	2.6%	-0.3%
Copley Hospital	0.9%	-0.2%	-1.1%
Gifford Medical Center	3.6%	3.6%	
Grace Cottage Hospital	3.8%	2.3%	-1.5%
Mt. Ascutney Hospital & Health Ctr	1.9%	1.9%	
North Country Hospital	2.4%	2.4%	
Northeastern VT Regional Hospital	2.0%	2.0%	
Northwestern Medical Center	3.6%	-0.2%	-3.8%
Porter Medical Center	5.2%	4.7%	-0.5%
Rutland Regional Medical Center	3.6%	3.6%	
Southwestern VT Medical Center	0.4%	0.4%	
Springfield Hospital	0.3%	-1.4%	-1.7%
University of Vermont Medical Center	3.3%	2.8%	-0.6%

*The NPR/FPP adjustments as a result of the Board approvals are the only update for purposes of this calculation. Other operating revenues, operating expenses, and other items that impact operating margin were not adjusted as staff cannot make these adjustments. Commensurate reductions to expenses are not presented.

Updated CRF Awards: All Hospitals

Hospital	Anticipated CRF Funds as of 7/20/20	CRF Award as of 9/18/20
Brattleboro Memorial Hospital		
Central Vermont Medical Center	\$3,941,032	\$7,990,772
Copley Hospital		
Gifford Medical Center		\$855,939
Grace Cottage Hospital		
Mt. Ascutney Hospital & Health Ctr		
North Country Hospital		
Northeastern VT Regional Hospital		
Northwestern Medical Center		\$5,229,322
Porter Medical Center	\$777,904	\$1,277,904
Rutland Regional Medical Center	\$2,000,000	\$13,091,075
Southwestern VT Medical Center		\$6,457,920
Springfield Hospital		
University of Vermont Medical Center	\$12,999,014	\$31,999,014
All Vermont Community Hospitals	\$19,717,950	\$66,901,946

Porter Medical Center: FY2017-2021 Historical Income Statement



Metric	FY2017	FY2018	FY2019	FY20 YE Proj.	FY2021 Budget-Submitted	NPR Adjustment	FY2021 Approved
NPR/FPP	\$78,203,218	\$80,346,401	\$84,961,115	\$77,155,098	\$89,810,556	-\$486,204	\$89,324,352
Other Operating Revenue	\$2,868,001	\$2,379,128	\$6,393,330	\$13,305,425	\$6,907,780	\$0	\$6,907,780
Operating Revenue	\$81,071,219	\$82,725,529	\$91,354,445	\$90,460,524	\$96,718,336	-\$486,204	\$96,232,132
Operating Expenses	-\$78,874,889	-\$81,233,322	-\$86,649,174	-\$87,629,707	-\$92,343,473	\$0	-\$92,343,473
Operating Margin	\$2,196,330	\$1,492,207	\$4,705,271	\$2,830,817	\$4,374,863	-\$486,204	\$3,888,659
Operating Margin %	2.7%	1.8%	5.2%	3.1%	4.5%		4.0%
Non-Operating Revenue	\$3,838,238	\$3,769,246	\$698,021	\$290,411	\$639,746	\$0	\$639,746
Total Margin	\$6,034,568	\$5,261,453	\$5,403,292	\$3,121,228	\$5,014,609	-\$486,204	\$4,528,405
Total Margin %	7.1%	6.1%	5.9%	3.4%	5.2%		4.5%

Porter Medical Center: FY2017-2021

Historical Income Statement with Helen Porter Nursing Home Support



Metric	FY2017	FY2018	FY2019	FY20 Projection	FY2021 Budget-Submitted	NPR Adjustment	FY2021 Approved
Porter Medical Center							
Operating Margin	\$2,196,330	\$1,492,207	\$4,705,271	\$2,830,817	\$4,374,863	-\$486,204	\$3,888,659
Operating Margin %	2.7%	1.8%	5.2%	3.1%	4.5%		4.0%
Non-Operating Revenue	\$3,838,238	\$3,769,246	\$698,021	\$290,411	\$639,746	\$0	\$639,746
Total Margin	\$6,034,568	\$5,261,453	\$5,403,292	\$3,121,228	\$5,014,609	-\$486,204	\$4,528,405
Total Margin %	7.1%	6.1%	5.9%	3.4%	5.2%		4.5%
Helen Porter Nursing Home							
Transfer/Operating Margin	-\$1,100,000	-\$2,150,000	-\$3,450,000	-\$1,300,000	-\$2,000,000		-\$2,000,000
Net - Porter Medical Center							
Operating Margin	\$1,096,330	-\$657,793	\$1,255,271	\$1,530,817	\$2,374,863	-\$486,204	\$1,888,659
Operating Margin %	1.4%	-0.8%	1.4%	1.7%	2.5%		2.0%
Total Margin \$	\$4,934,568	\$3,111,453	\$1,953,292	\$1,821,228	\$3,014,609	-\$486,204	\$2,528,405
Total Margin %	5.8%	3.6%	2.1%	2.0%	3.1%		2.6%

Critical Access Hospitals

Margins (%): FY2017-2021

Hospital	FY2017	FY2018	FY2019	FY20 Projection	FY2021 Budget-Submitted
<i>Operating Margin %</i>					
Copley Hospital	-0.6%	-3.3%	-3.2%	1.4%	0.6%
Gifford Medical Center	-1.6%	-10.7%	-0.8%	2.5%	1.8%
Grace Cottage Hospital	-6.9%	-2.9%	-6.7%	2.9%	0.0%
Mt. Ascutney Hospital & Health Ctr	2.7%	1.9%	-0.1%	1.6%	0.3%
North Country	-2.3%	-2.3%	1.9%	2.1%	1.7%
Northeastern VT Regional Hospital	1.9%	1.7%	1.8%	-1.3%	2.0%
Porter Medical Center	2.7%	1.8%	5.2%	3.1%	4.5%
Springfield Hospital	-7.1%	-12.8%	-16.4%	-7.6%	0.3%
<i>Total Margin %</i>					
Copley Hospital	3.9%	-2.4%	-2.6%	1.9%	0.9%
Gifford Medical Center	0.3%	-6.2%	4.8%	6.6%	3.6%
Grace Cottage Hospital	1.3%	3.7%	4.5%	7.1%	3.8%
Mt. Ascutney Hospital & Health Ctr	10.5%	5.3%	-4.0%	9.0%	1.9%
North Country	2.3%	1.2%	3.0%	12.0%	2.4%
Northeastern VT Regional Hospital	0.6%	2.3%	1.8%	-1.3%	2.0%
Porter Medical Center	7.1%	6.1%	5.9%	3.4%	5.2%
Springfield Hospital	-3.2%	-12.0%	-39.3%	-7.6%	0.3%

The University Medical Center Health Network's NPR/FPP & Operating Margins: 2016-2020



Hospital	Budget 2016	Actual 2016	Budget 2017	Actual 2017	Budget 2018	Actual 2018	Budget 2019	Actual 2019	Budget 2020	Projection 2020
NPR/FPP										
Central Vermont Medical Center	\$173,996,286	\$191,539,946	\$191,831,143	\$195,237,530	\$198,452,560	\$194,586,135	\$211,387,021	\$208,006,996	\$218,043,247	\$199,719,050
Porter Medical Center	\$75,581,081	\$75,061,496	\$76,094,921	\$78,203,218	\$78,348,499	\$80,346,401	\$84,530,515	\$84,961,115	\$87,487,539	\$77,155,098
The University of Vermont Medical Center	\$1,126,774,924	\$1,156,546,653	\$1,172,785,845	\$1,211,118,975	\$1,209,654,762	\$1,254,036,509	\$1,273,460,046	\$1,285,234,193	\$1,348,125,703	\$1,215,392,893
Operating Margins										
Central Vermont Medical Center	\$5,295,446	\$2,049,956	\$3,673,589	-\$1,902,075	\$3,773,887	-\$7,868,458	\$3,256,040	-\$4,677,987	\$187,103	\$2,668,774
Porter Medical Center	\$286,284	\$1,450,905	-\$398,584	\$2,196,330	-\$1,937,197	\$1,492,207	\$3,291,451	\$4,705,271	\$3,590,524	\$2,830,817
The University of Vermont Medical Center	\$46,144,780	\$74,050,147	\$47,926,625	\$68,580,794	\$50,396,532	\$46,127,444	\$39,244,024	\$31,407,561	\$46,375,027	-\$4,162,414

Porter Medical Center



NPR/FPP

FY20 Budget-to-Projection Variance	-11.8%
FY20 Budget (\$)	\$87,487,539
FY20 Projection (\$)	\$77,155,098
FY21 Request (\$)	\$89,810,556
FY21 Request (% change FY20B)	2.7%
FY21 Request (% change FY20P)	16.4%

PMC's 2.7% request is below the 3.5% growth rate ceiling.

Change in Charges

Commercial	\$1,597,528
Medicaid	\$0
Medicare	-\$350,000

0.0% Overall Change in Charge
5.75% Commercial Change in Charge

Hospital Justification:

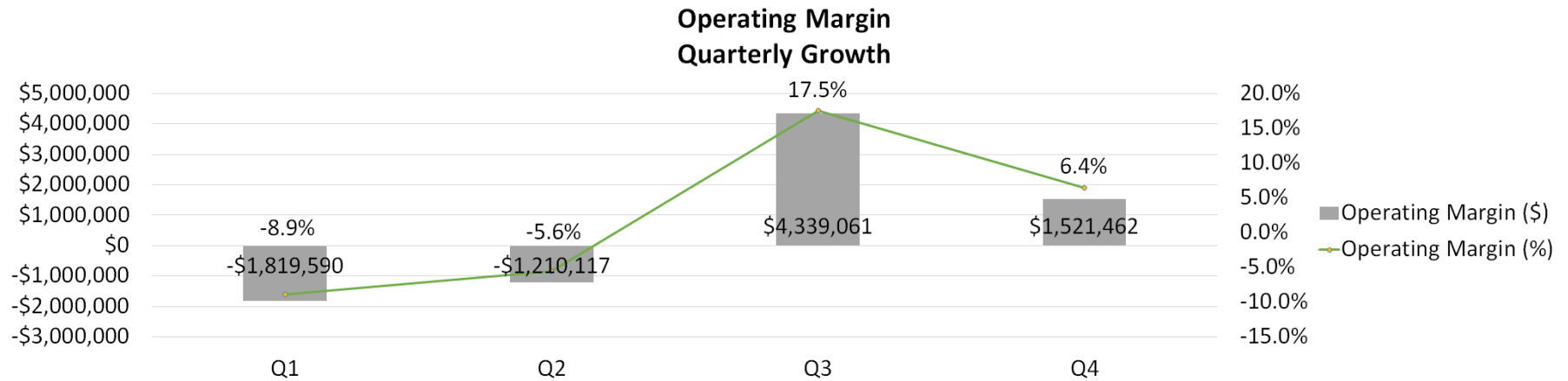
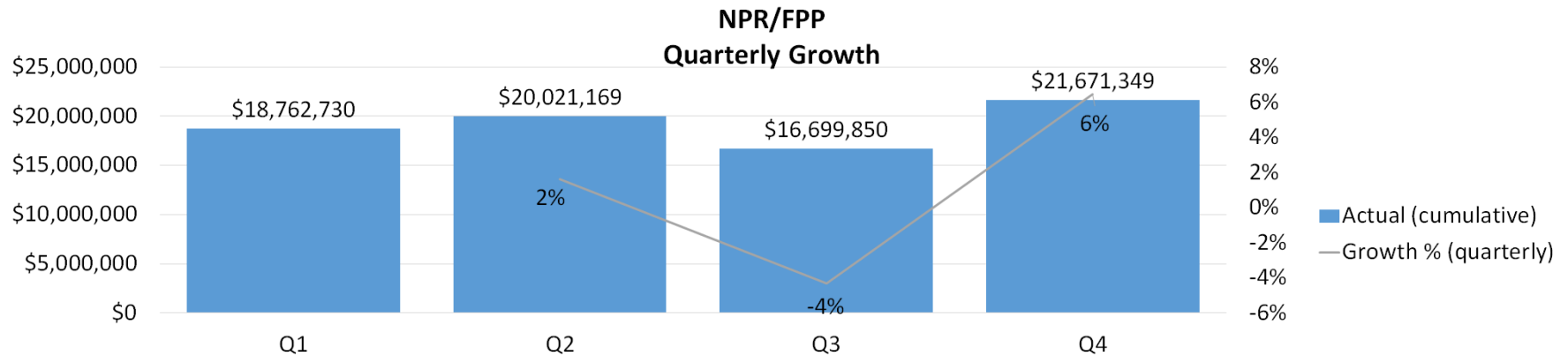
- No budgetary assumptions pertaining to COVID-19
- No risk reserve for FY2021 as they have reserved adequately on the balance sheet in the past.
- Needs to balance and manage expense growth
- Necessary to continue to support nursing home

Porter Medical Center

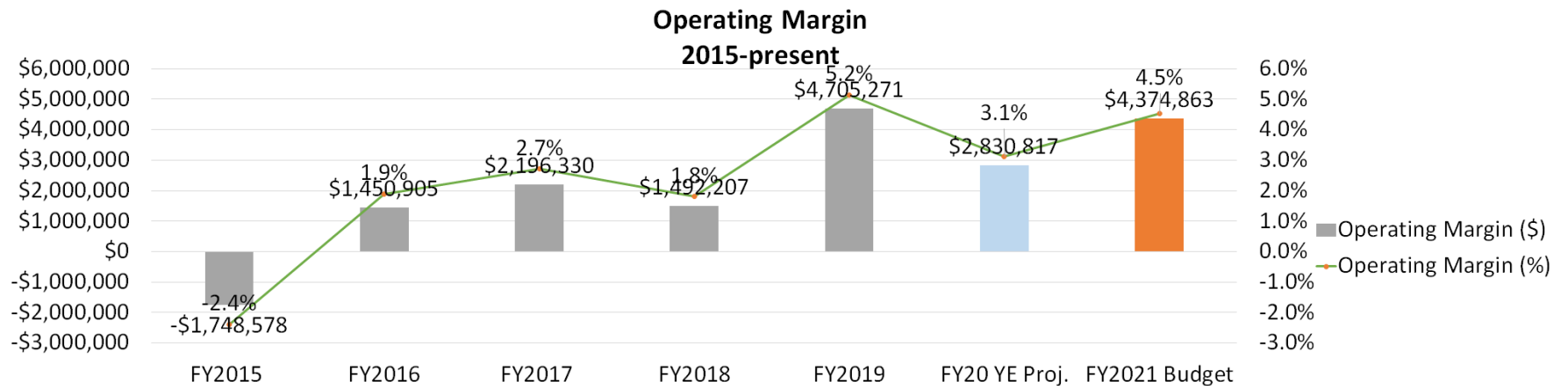
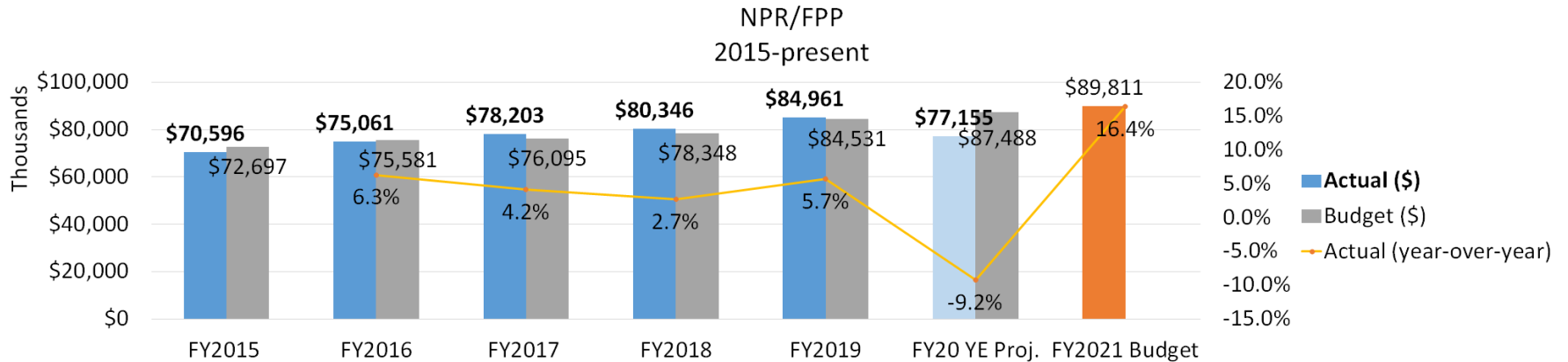


Porter Medical Center								
Thomas Thompson (Interim)			Jenn Bertrand					
Fiscal Year 2021 Budget Analysis		GMCB Data Entry		Hospital Data Entry				
INCOME STATEMENT	2019 A	2020 B	2020 PROJ	2021 B	2019A-2020P	2020B-2020P	2020B-2021B	2020P-2021B
Revenues								
Gross Patient Care Revenue	\$168,352,774	\$169,510,951	\$153,159,881	\$170,761,542	-9.0%	-9.6%	0.7%	11.5%
Disproportionate Share Payments	\$500,464	\$497,840	\$463,504	\$478,461	-7.4%	-6.9%	-3.9%	3.2%
Graduate Medical Education (UVMC only)	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Bad Debt	-\$4,386,589	-\$4,275,135	-\$4,371,500	-\$5,038,763	-0.3%	2.3%	17.9%	15.3%
Free Care	-\$1,492,822	-\$1,486,321	-\$1,120,540	-\$1,519,778	-24.9%	-24.6%	2.3%	35.6%
Deductions from Revenue	-\$93,838,393	-\$96,939,496	-\$88,003,409	-\$96,050,607	-6.2%	-9.2%	-0.9%	9.1%
Net Patient Care Revenue	\$69,135,434	\$67,307,839	\$60,127,936	\$68,630,855	-13.0%	-10.7%	2.0%	14.1%
Fixed Prospective Payments, Reserves & Other								
Fixed Prospective Payments	\$15,401,349	\$20,661,080	\$15,907,119	\$20,661,081	3.3%	-23.0%	0.0%	29.9%
Reserves	-\$46,270	-\$1,000,000	\$592,167	\$0	-1379.8%	-159.2%	-100.0%	-100.0%
Other Reform Payments	\$470,602	\$518,620	\$527,877	\$518,620	12.2%	1.8%	0.0%	-1.8%
Fixed Prospective Payments, Reserves & Other	\$15,825,681	\$20,179,700	\$17,027,163	\$21,179,701	7.6%	-15.6%	5.0%	24.4%
Total NPR & FPP	\$84,961,115	\$87,487,539	\$77,155,098	\$89,810,556	-9.2%	-11.8%	2.7%	16.4%
COVID-19 Stimulus and Other Grant Funding								
Other	\$6,393,330	\$6,380,326	\$6,814,738	\$6,907,780	#DIV/0!	#DIV/0!	#DIV/0!	
			\$6,490,687	\$6,907,780	1.5%	1.7%	8.3%	6.4%
Other Operating Revenue	\$6,393,330	\$6,380,326	\$13,305,425	\$6,907,780	108.1%	108.5%	8.3%	-48.1%
Total Operating Revenue	\$91,354,445	\$93,867,865	\$90,460,524	\$96,718,336	-1.0%	-3.6%	3.0%	6.9%
Expenses								
Salaries, Fringe Benefits, Physician Fees, Contracts	\$52,929,809	\$55,616,973	\$54,019,396	\$57,283,810	2.1%	-2.9%	3.0%	6.0%
Medical/Surgical Drugs and Supplies	\$6,857,853	\$7,049,863	\$6,920,849	\$7,106,928	0.9%	-1.8%	0.8%	2.7%
Health Care Provider Tax	\$4,738,388	\$4,784,372	\$4,768,841	\$4,799,727	0.6%	-0.3%	0.3%	0.6%
Depreciation/Amortization	\$2,864,387	\$3,501,544	\$3,117,379	\$3,096,378	8.8%	-11.0%	-11.6%	-0.7%
Interest - Short and Long Term	\$328,419	\$299,873	\$303,601	\$284,195	-7.6%	1.2%	-5.2%	-6.4%
Other Operating Expenses (includes ACO Participation Fees)	\$18,930,319	\$19,024,717	\$18,499,641	\$19,772,435	-2.3%	-2.8%	3.9%	6.9%
Operating Expense	\$86,649,174	\$90,277,341	\$87,629,707	\$92,343,473	1.1%	-2.9%	2.3%	5.4%
Net Operating Income	\$4,705,271	\$3,590,524	\$2,830,817	\$4,374,863	-39.8%	-21.2%	21.8%	54.5%
Non Operating Revenue	\$698,021	\$526,723	\$290,411	\$639,746	-58.4%	-44.9%	21.5%	120.3%
Excess (Deficit) of Rev over Exp	\$5,403,292	\$4,117,247	\$3,121,228	\$5,014,609	-42.2%	-24.2%	21.8%	60.7%
Income Statement Metrics								
Operating Margin %	5.2%	3.8%	3.1%	4.5%				
Total Margin %	5.9%	4.4%	3.4%	5.2%				

Porter Medical Center: FY2020 Operating Performance



Porter Medical Center: Historical Operating Performance

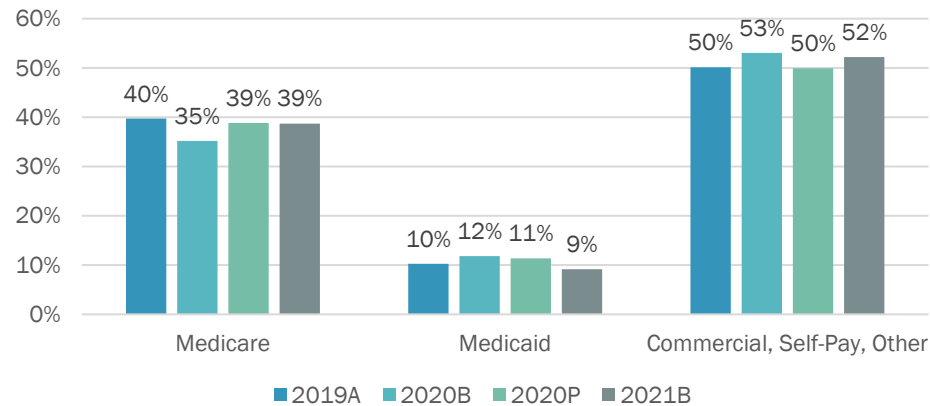


Porter Medical Center: Change in Charge

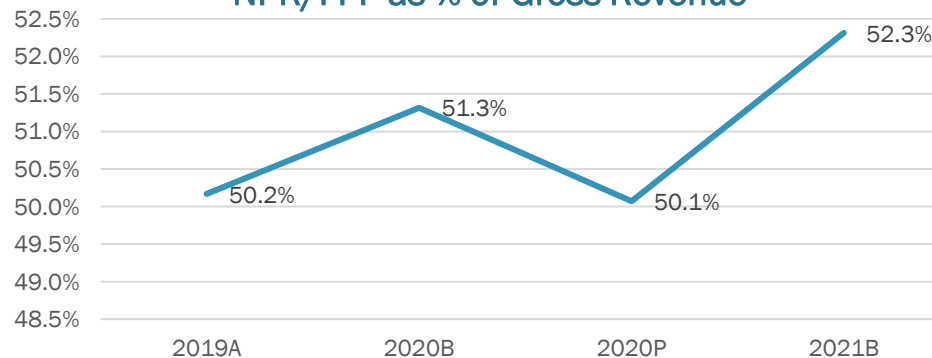
Request						
Overall Change in Charge %						0.0%
Commercial Change in Charge%*						5.75%
NPR due to Change in Charge						\$1,247,528
Value of 1% Change in Charge Commercial*						\$277,831
Service Category						
Hospital Inpatient Change in Gross Charges						0.0%
Hospital Outpatient Change in Gross Charges						0.0%
Professional Services Change in Gross Charges						0.0%
Payer						
Commercial						\$1,597,528
Medicaid						\$0
Medicare						-\$350,000
% of NPR/FPP Increase						
FY21 Request (\$ change FY20B)						\$2,323,017
Change in Charge (\$)						\$1,247,528
Change in Charge as a % of NPR/FPP Increase						54%
	FY16	FY17	FY18	FY19	FY20*	Blended 5-year average
Approved Overall	5.3%	0.0%	0.0%	-1.0%	0.0%	0.86%
Submitted Overall	5.3%	0.0%	0.0%	-1.0%	0.0%	0.86%
Approved Commercial	0.0%	2.45%	3.0%	2.8%	2.6%	2.17%
Submitted Commercial	0.0%	3.0%	3.0%	2.8%	2.6%	2.28%

Porter Medical Center: NPR/FPP Payer Mix and Gross to Net Revenue (%)

PMC
NPR/FPP Payer Mix



PMC
NPR/FPP as % of Gross Revenue



Porter Medical Center: Recommendations

	FY21 Request	Options	Preliminary Decision
NPR/FPP	2.7% request is within the budget-to-budget growth rate ceiling	<ul style="list-style-type: none">• Reduce submitted NPR/FPP to 1.8% due to reduction in change in charge	
Change in Charge	0.0% overall 5.75% commercial	<ul style="list-style-type: none">• Reduce requested change in charge to 3.0% effective commercial rate	
Additional Recommendation		<ul style="list-style-type: none">• Commensurate reductions to expenses	

Suggested motion language:

*Move to approve Porter Medical Center's budget, with an NPR/FPP **increase** of 1.8% from FY2020 to FY2021 budget with commensurate reductions to expenses, a 3.0% **increase** to effective commercial rate, and subject to the standard budget conditions as outlined on Slide 27.*

Porter Medical Center: Deliberation and Vote

	FY21 Request	Options	Decision
NPR/FPP	2.7% request is within the budget-to-budget growth rate ceiling	<ul style="list-style-type: none">• Reduce submitted NPR/FPP to 1.8% due to reduction in change in charge	<ul style="list-style-type: none">• Reduce growth to 2.1%, approved on September 16, 2020
Change in Charge	0.0% overall 5.75% commercial	<ul style="list-style-type: none">• Reduce requested change in charge to 3.0% effective commercial rate	<ul style="list-style-type: none">• Approved as 4.0% commercial effective rate (3.0% standard, 1.0% COVID) on September 16, 2020
Additional Recommendation		<ul style="list-style-type: none">• Commensurate reductions to expenses	<ul style="list-style-type: none">• Commensurate reductions to expenses

Central Vermont Medical Center



NPR/FPP

FY20 Budget-to-Projection Variance	-8.4%
FY20 Budget (\$)	\$218,043,247
FY20 Projection (\$)	\$199,719,050
FY21 Request (\$)	\$237,013,421
FY21 Request (% change FY20B)	8.7%
FY21 Request (% change FY20P)	18.7%

CVMC's 8.7% request is over the 3.5% growth rate ceiling.

Change in Charges

Commercial	\$5,283,501
Medicaid	\$0
Medicare	\$183,377

6.0% Overall Change in Charge
8.5% Commercial Change in Charge

Hospital Justification:

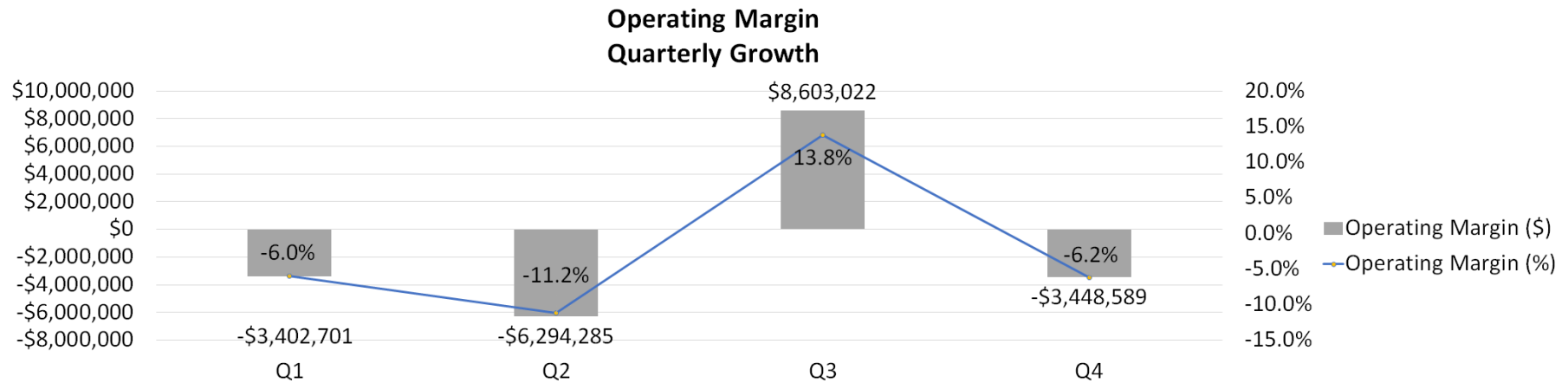
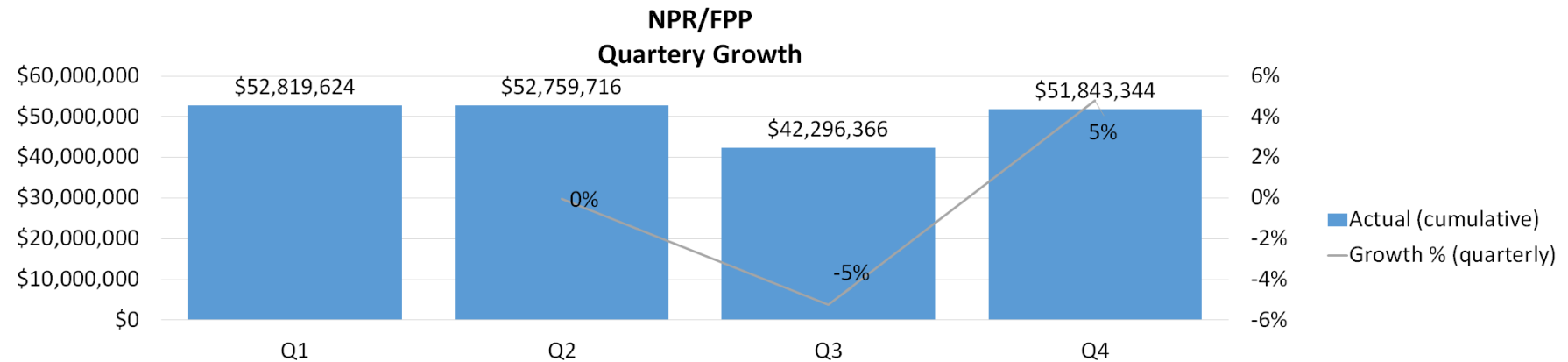
- Expenses have exceeded revenues since FY 2016
 - Driven by salary and pharmaceutical costs
- Higher collection rate trend
- Increase in volume of 1.5%
- In FY2020, eroding margin due to:
 - shift in payer mix
 - growth in pharmaceutical & labor inflation
 - unpredictable volumes

Central Vermont Medical Center

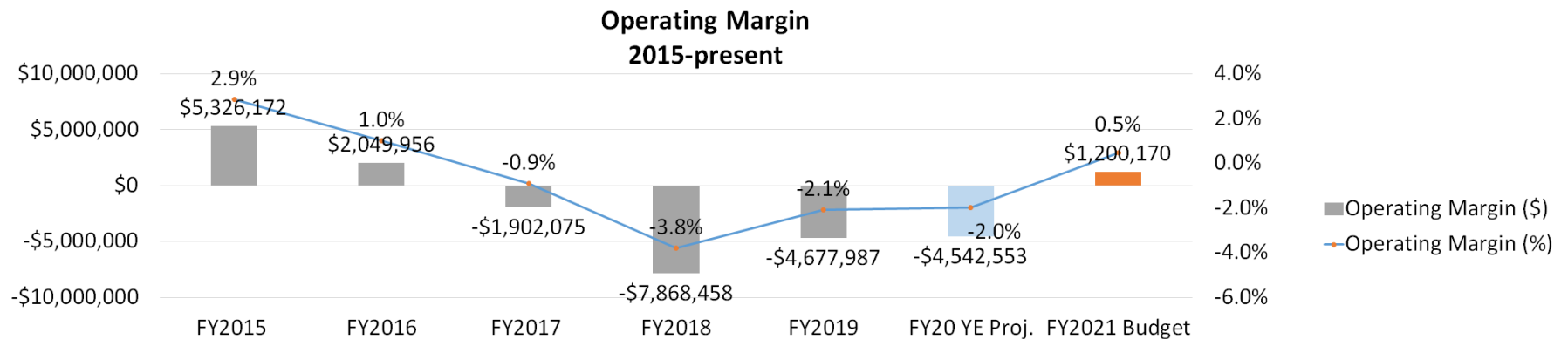
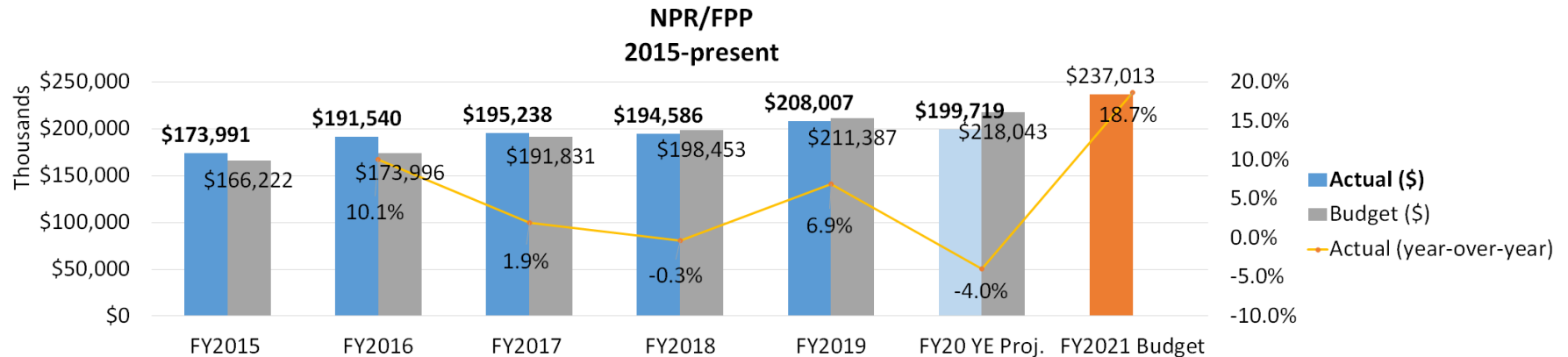


Central Vermont Medical Center								
John Brumsted Anna Noonan			Todd Keating					
Fiscal Year 2021 Budget Analysis			GMCB Data Entry		Hospital Data Entry			
INCOME STATEMENT	2019 A	2020 B	2020 PROJ	2021 B	2019A-2020P	2020B-2020P	2020B-2021B	2020P-2021B
Revenues								
Gross Patient Care Revenue	\$418,151,359	\$430,983,508	\$395,390,815	\$474,516,163	-5.4%	-8.3%	10.1%	20.0%
Disproportionate Share Payments	\$1,441,012	\$1,329,351	\$1,396,636	\$1,260,709	-3.1%	5.1%	-5.2%	-9.7%
Graduate Medical Education (UVMC only)	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Bad Debt	-\$5,607,318	-\$4,700,000	-\$5,610,037	-\$5,308,003	0.0%	19.4%	12.9%	-5.4%
Free Care	-\$4,517,178	-\$4,750,000	-\$2,851,353	-\$5,474,100	-36.9%	-40.0%	15.2%	92.0%
Deductions from Revenue	-\$242,710,762	-\$254,112,523	-\$239,339,673	-\$275,204,955	-1.4%	-5.8%	8.3%	15.0%
Net Patient Care Revenue	\$166,757,113	\$168,750,336	\$148,986,388	\$189,789,814	-10.7%	-11.7%	12.5%	27.4%
Fixed Prospective Payments, Reserves & Other								
Fixed Prospective Payments	\$41,249,882	\$49,292,911	\$48,565,845	\$45,514,084	17.7%	-1.5%	-7.7%	-6.3%
Reserves			\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Other Reform Payments			\$2,166,816	\$1,709,522	#DIV/0!	#DIV/0!	#DIV/0!	-21.1%
Fixed Prospective Payments, Reserves & Other	\$41,249,882	\$49,292,911	\$50,732,661	\$47,223,607	23.0%	2.9%	-4.2%	-6.9%
Total NPR & FPP	\$208,006,996	\$218,043,247	\$199,719,050	\$237,013,421	-4.0%	-8.4%	8.7%	18.7%
COVID-19 Stimulus and Other Grant Funding								
Other	\$15,731,007	\$16,199,991	\$17,294,746	\$0	#DIV/0!	#DIV/0!	#DIV/0!	
Other Operating Revenue	\$15,731,007	\$16,199,991	\$14,123,060	\$17,458,941	-10.2%	-12.8%	7.8%	23.6%
Total Operating Revenue	\$223,738,002	\$234,243,239	\$231,136,856	\$254,472,362	3.3%	-1.3%	8.6%	10.1%
Expenses								
Salaries, Fringe Benefits, Physician Fees, Contracts	\$143,669,698	\$142,856,716	\$147,270,303	\$150,417,276	2.5%	3.1%	5.3%	2.1%
Medical/Surgical Drugs and Supplies	\$29,503,775	\$29,734,009	\$31,634,837	\$40,438,680	7.2%	6.4%	36.0%	27.8%
Health Care Provider Tax	\$11,393,875	\$13,092,010	\$11,818,538	\$14,307,015	3.7%	-9.7%	9.3%	21.1%
Depreciation/Amortization	\$9,170,032	\$9,718,767	\$8,098,871	\$8,000,000	-11.7%	-16.7%	-17.7%	-1.2%
Interest - Short and Long Term	\$459,183	\$294,583	\$632,094	\$619,397	37.7%	114.6%	110.3%	-2.0%
Other Operating Expenses (includes ACO Participation Fees)	\$34,219,427	\$38,360,050	\$36,224,765	\$39,489,824	5.9%	-5.6%	2.9%	9.0%
Operating Expense	\$228,415,989	\$234,056,135	\$235,679,408	\$253,272,192	3.2%	0.7%	8.2%	7.5%
Net Operating Income	-\$4,677,987	\$187,103	-\$4,542,553	\$1,200,170	-2.9%	-2527.8%	541.4%	-126.4%
Non Operating Revenue	-\$4,164,552	\$3,972,546	\$2,668,774	\$6,427,435	-164.1%	-32.8%	61.8%	140.8%
Excess (Deficit) of Rev over Exp	-\$8,842,539	\$4,159,649	-\$1,873,778	\$7,627,605	-78.8%	-145.0%	83.4%	-507.1%
Income Statement Metrics								
Operating Margin %	-2.1%	0.1%	-2.0%	0.5%				
Total Margin %	-4.0%	1.7%	-0.8%	2.9%				

Central Vermont Medical Center: FY2020 Operating Performance



Central Vermont Medical Center: Historical Operating Performance



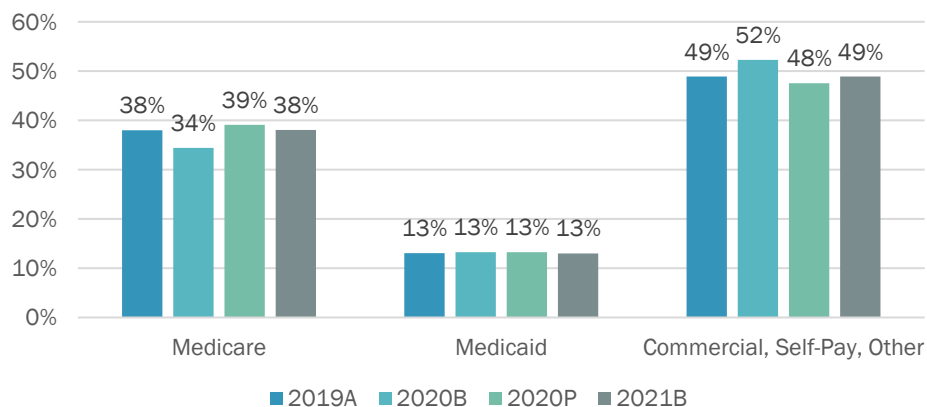
Central Vermont Medical Center: Change in Charge



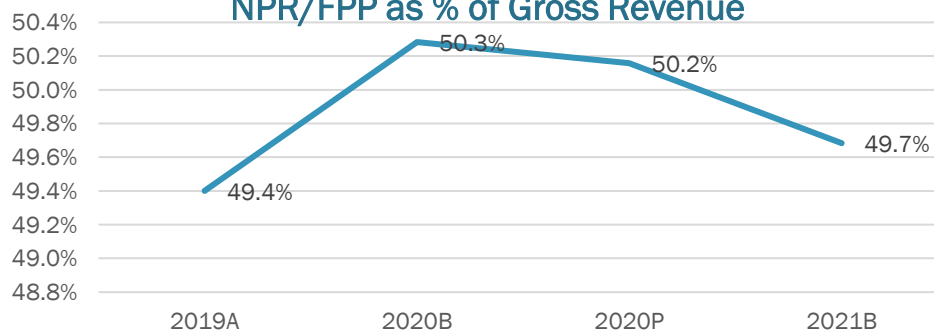
Request						
Overall Change in Charge %						6.0%
Commercial Change in Charge%						8.5%
NPR due to Change in Charge						\$5,466,878
Value of 1% Change in Charge Medicare						\$895,569
Value of 1% Change in Charge Commercial						\$621,588
Service Category						
Hospital Inpatient Change in Gross Charges						6.0%
Hospital Outpatient Change in Gross Charges						6.0%
Professional Services Change in Gross Charges						6.0%
Skilled Nursing Facility Change in Gross Charges						6.0%
Payer						
Commercial						\$5,283,501
Medicaid						NA
Medicare						\$183,377
% of NPR/FPP Increase						
FY21 Request (\$ change FY20B)						\$18,970,173
Change in Charge (\$)						\$5,466,878
Change in Charge as a % of NPR/FPP Increase						29%
	FY16	FY17	FY18	FY19	FY20*	Blended 5-year average
Approved Overall	4.7%	0.0%	2.0%	2.3%	3.0%	2.4%
Submitted Overall	4.7%	0.0%	2.0%	2.8%	3.0%	2.5%
Approved Commercial	0.0%	2.45%	0.72%	2.3%	5.9%	2.27%
Submitted Commercial	0.0%	3.0%	0.72%	2.8%	5.9%	2.48%

Central Vermont Medical Center: NPR/FPP Payer Mix and Gross to Net Revenue (%)

CVMC
NPR/FPP Payer Mix



CVMC
NPR/FPP as % of Gross Revenue



Central Vermont Medical Center: Recommendations



	FY21 Request	Options	Preliminary Decision
NPR/FPP	8.7% request is above the budget-to-budget growth rate ceiling	<ul style="list-style-type: none"> Reduce submitted NPR/FPP to 7.3% due to reduction in change in charge 	
Change in Charge	6.0% overall 8.5% commercial	<ul style="list-style-type: none"> Reduce requested change in charge to 2.75% overall. Respectively, reduce change in charge of commercial rate to 5.25% 	
Additional Recommendation		<ul style="list-style-type: none"> Commensurate reductions to expenses 	

Suggested motion language:

*Move to approve Central Vermont Medical Center's budget, with an NPR/FPP **increase** of 7.3% from FY2020 to FY2021 budget with commensurate reductions to expenses, a 5.25% **increase** to commercial effective rate, a 2.75% **increase** to overall change in charge, and subject to the standard budget conditions as outlined on Slide 27.*

Central Vermont Medical Center: Deliberation and Vote



	FY21 Request	Options	Decision
NPR/FPP	8.7% request is above the budget-to-budget growth rate ceiling	<ul style="list-style-type: none">• Reduce submitted NPR/FPP to 7.3% due to reduction in change in charge	<ul style="list-style-type: none">• Reduce growth to 8.3%, approved on September 16, 2020
Change in Charge	6.0% overall 8.5% commercial	<ul style="list-style-type: none">• Reduce requested change in charge to 2.75% overall. Respectively, reduce change in charge of commercial rate to 5.25%	<ul style="list-style-type: none">• Approved as 7.0% commercial effective rate (4.0% standard, 3.0% COVID) on September 16, 2020
Additional Recommendation		<ul style="list-style-type: none">• Commensurate reductions to expenses	<ul style="list-style-type: none">• Commensurate reductions to expenses

University of Vermont Medical Center



NPR/FPP

FY20 Budget-to-Projection Variance	-9.8%
FY20 Budget (\$)	\$1,348,125,703
FY20 Projection (\$)	\$1,215,392,893
FY21 Request (\$)	\$1,424,974,332
FY21 Request (% change FY20B)	5.7%
FY21 Request (% change FY20P)	17.2%

UVMHC's 5.7% request is over the 3.5% growth rate ceiling.

Change in Charges

Commercial	\$37,697,288
Medicaid	\$0
Medicare	\$3,819,615

7.97% Overall Change in Charge
7.97% Commercial Change in Charge

Hospital Justification:

- Tertiary care volume continues to grow
- If rate increase is not sufficient to cover inflation, only option to impact margin and get back on solid financial footing is to eliminate services that lose money
- Increase in volume and patients creates an increase in expense
- Need 3% revenue increase to cover 3% inflation on total expenses
- If not receiving 3% from government payers and ACO, need to get 6% from commercial payers (50% of revenue) to keep pace with expense inflation
- Staffing FTE growth: 18 Physician FTEs, 129 Non-Physician FTEs

University of Vermont Medical Center

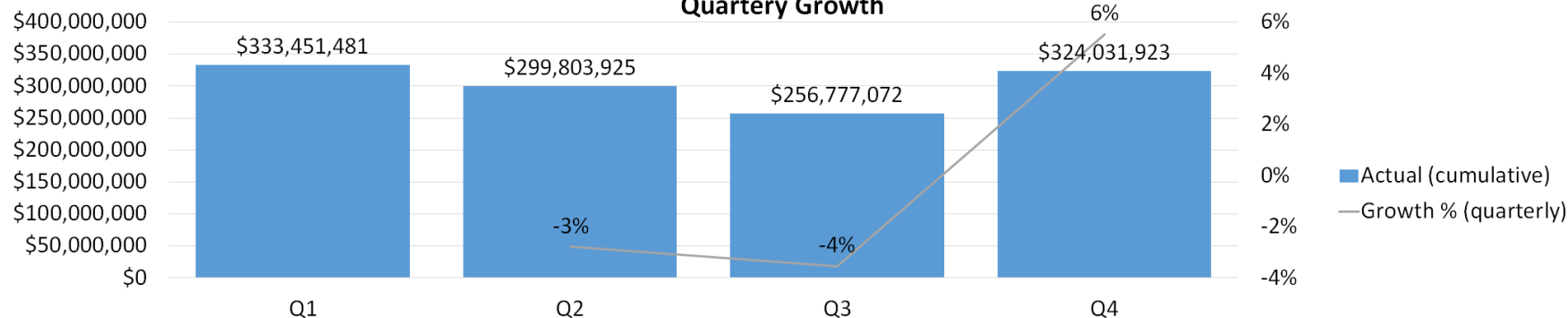


The University of Vermont Medical Center								
John Brumsted Steve Leffler			Todd Keating Rick Vincent					
Fiscal Year 2021 Budget Analysis			GMCB Data Entry		Hospital Data Entry			
INCOME STATEMENT	2019 A	2020 B	2020 PROJ	2021 B	2019A-2020P	2020B-2020P	2020B-2021B	2020P-2021B
Revenues								
Gross Patient Care Revenue	\$2,877,767,129	\$2,965,263,597	\$2,713,741,722	\$3,327,313,496	-5.7%	-8.5%	12.2%	22.6%
Disproportionate Share Payments	\$10,984,363	\$11,352,235	\$12,121,212	\$11,214,283	10.3%	6.8%	-1.2%	-7.5%
Graduate Medical Education (UVMC only)	\$30,000,000	\$30,000,000	\$32,293,753	\$30,000,000	7.6%	7.6%	0.0%	-7.1%
Bad Debt	-\$32,400,668	-\$28,504,203	-\$28,437,045	-\$35,877,811	-12.2%	-0.2%	25.9%	26.2%
Free Care	-\$18,150,130	-\$18,769,732	-\$20,295,714	-\$23,305,651	11.8%	8.1%	24.2%	14.8%
Deductions from Revenue	-\$1,726,450,614	-\$1,842,549,479	-\$1,672,430,611	-\$2,112,791,360	-3.1%	-9.2%	14.7%	26.3%
Net Patient Care Revenue	\$1,141,750,080	\$1,116,792,418	\$1,036,993,317	\$1,196,552,958	-9.2%	-7.1%	7.1%	15.4%
Fixed Prospective Payments, Reserves & Other								
Fixed Prospective Payments	\$143,484,113	\$231,333,286	\$176,329,220	\$225,974,440	22.9%	-23.8%	-2.3%	28.2%
Reserves			\$0	\$0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Other Reform Payments			\$2,070,356	\$2,446,934	#DIV/0!	#DIV/0!	#DIV/0!	18.2%
Fixed Prospective Payments, Reserves & Other	\$143,484,113	\$231,333,286	\$178,399,576	\$228,421,374	24.3%	-22.9%	-1.3%	28.0%
Total NPR & FPP	\$1,285,234,193	\$1,348,125,703	\$1,215,392,893	\$1,424,974,332	-5.4%	-9.8%	5.7%	17.2%
COVID-19 Stimulus and Other Grant Funding								
Other	\$151,116,011	\$143,711,911	\$38,602,192	\$0	#DIV/0!	#DIV/0!	#DIV/0!	
Other Operating Revenue	\$151,116,011	\$143,711,911	\$185,017,363	\$186,051,743	22.4%	28.7%	29.5%	0.6%
Total Operating Revenue	\$1,436,350,203	\$1,491,837,614	\$1,439,012,448	\$1,611,026,075	0.2%	-3.5%	8.0%	12.0%
Expenses								
Salaries, Fringe Benefits, Physician Fees, Contracts	\$797,466,797	\$830,959,537	\$817,386,320	\$889,402,667	2.5%	-1.6%	7.0%	8.8%
Medical/Surgical Drugs and Supplies	\$224,933,434	\$225,628,356	\$245,620,134	\$283,508,116	9.2%	8.9%	25.7%	15.4%
Health Care Provider Tax	\$72,231,105	\$77,080,026	\$73,639,187	\$82,020,106	1.9%	-4.5%	6.4%	11.4%
Depreciation/Amortization	\$52,395,119	\$65,321,341	\$66,037,775	\$64,112,613	26.0%	1.1%	-1.9%	-2.9%
Interest - Short and Long Term	\$14,740,992	\$17,362,231	\$17,655,041	\$17,109,699	19.8%	1.7%	-1.5%	-3.1%
Other Operating Expenses (includes ACO Participation Fees)	\$243,175,196	\$229,111,096	\$222,836,404	\$234,597,222	-8.4%	-2.7%	2.4%	5.3%
Operating Expense	\$1,404,942,642	\$1,445,462,587	\$1,443,174,861	\$1,570,750,423	2.7%	-0.2%	8.7%	8.8%
Net Operating Income	\$31,407,561	\$46,375,027	-\$4,162,414	\$40,275,652	-113.3%	-109.0%	-13.2%	-1067.6%
Non Operating Revenue	\$34,396,196	\$18,218,325	-\$42,712,543	\$13,857,219	-224.2%	-334.4%	-23.9%	-132.4%
Excess (Deficit) of Rev over Exp	\$65,803,757	\$64,593,352	-\$46,874,956	\$54,132,871	-171.2%	-172.6%	-16.2%	-215.5%
Income Statement Metrics								
Operating Margin %	2.2%	3.1%	-0.3%	2.5%				
Total Margin %	4.5%	4.3%	-3.4%	3.3%				

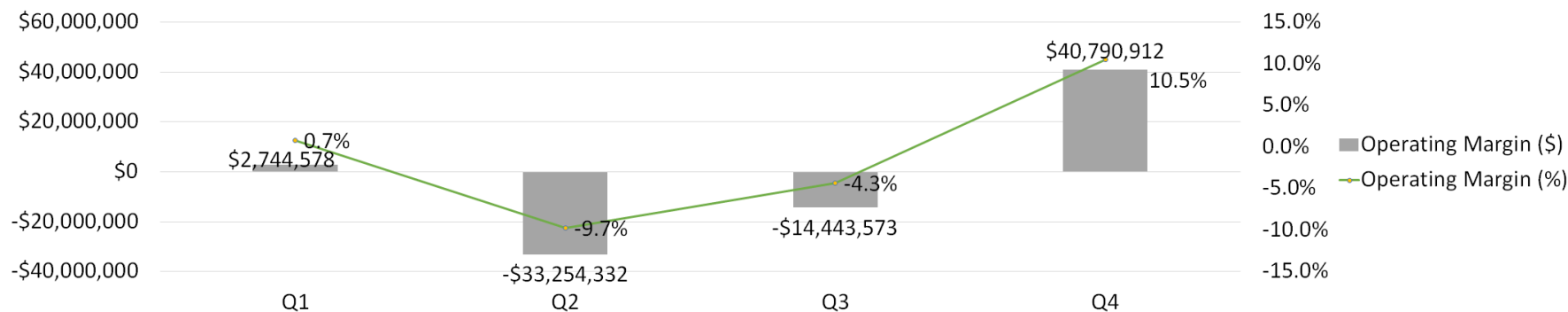
University of Vermont Medical Center: FY2020 Operating Performance



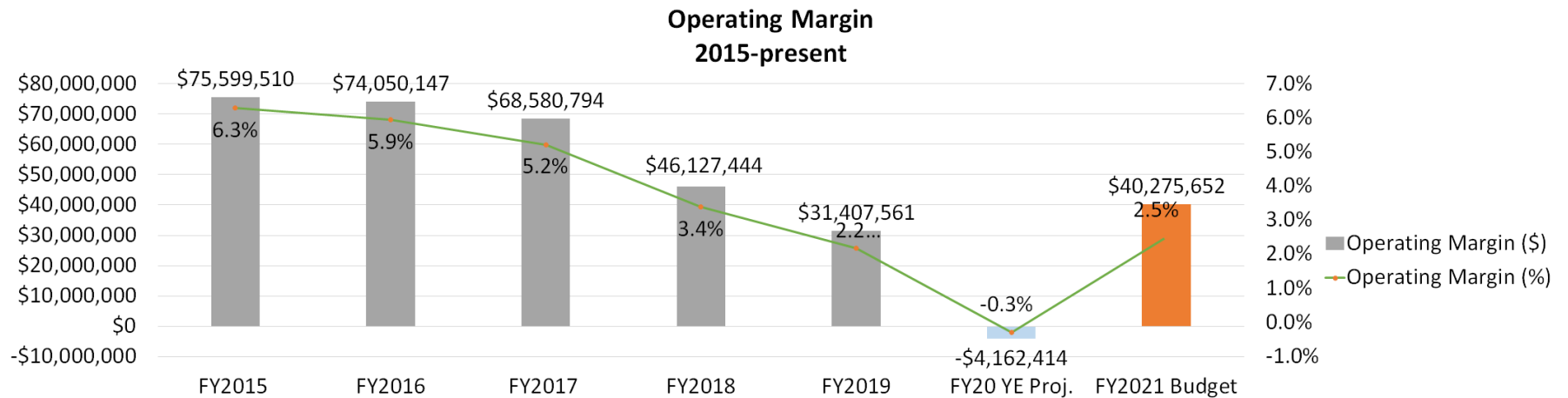
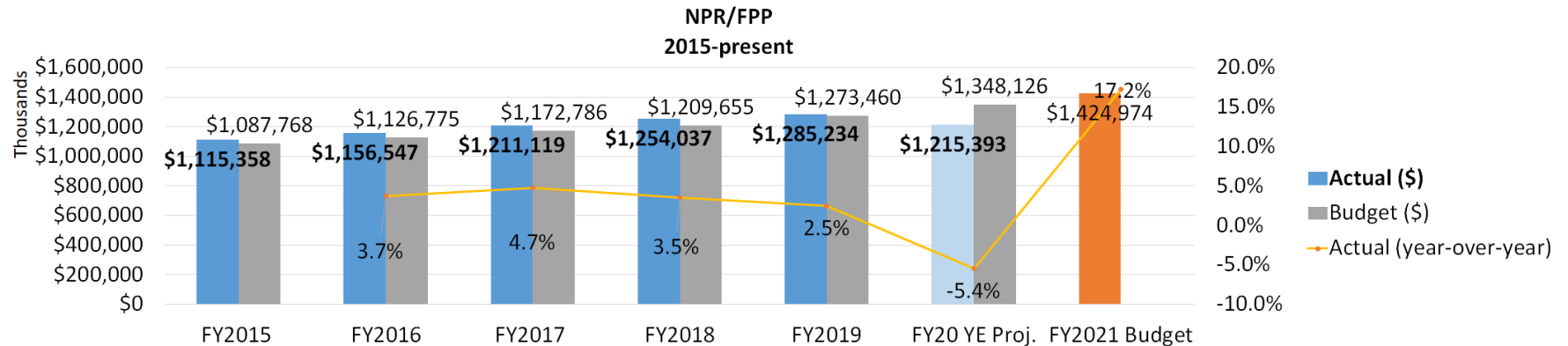
**NPR/FPP
Quarterly Growth**



**Operating Margin
Quarterly Growth**



University of Vermont Medical Center: Historical Operating Performance

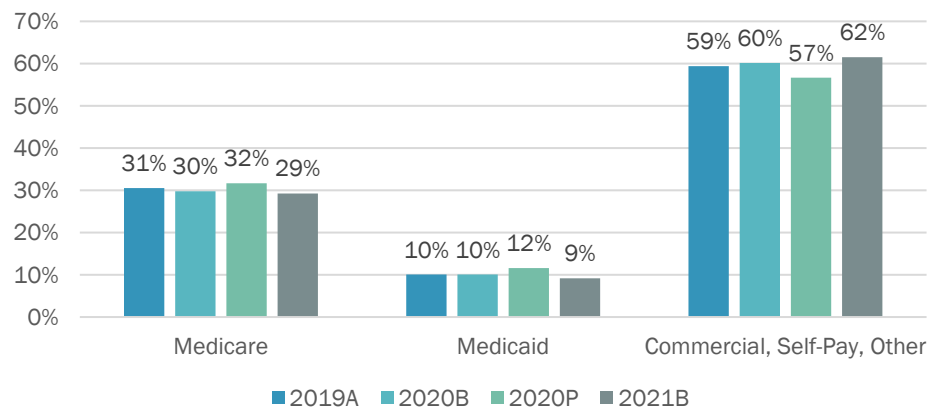


University of Vermont Medical Center: Change in Charge

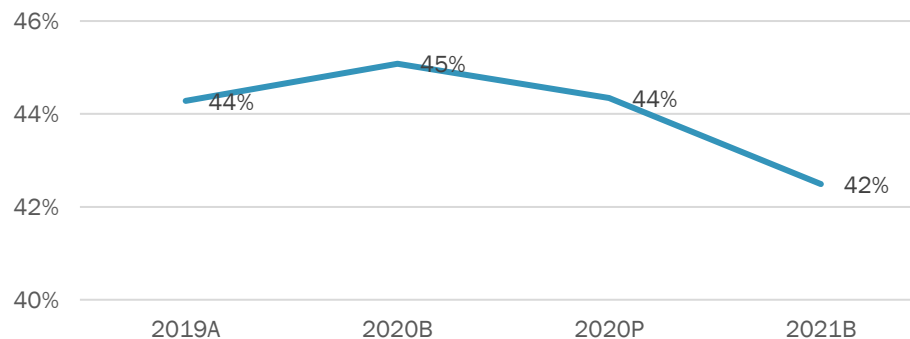
Request						
Overall Change in Charge %						7.97%
Commercial Change in Charge %*						7.97%
NPR due to Change in Charge						\$41,516,903
Value of 1% Change in Charge*						\$4,729,898
Service Category						
Hospital Inpatient Change in Gross Charges						8.5%
Hospital Outpatient Change in Gross Charges						8.5%
Professional Services Change in Gross Charges						6.0%
Payer						
Commercial						\$37,697,288
Medicaid						\$0
Medicare						\$3,819,615
% of NPR/FPP Increase						
FY21 Request (\$ change FY20B)						\$76,848,629
Change in Charge (\$)						\$41,516,903
Change in Charge as a % of NPR/FPP Increase						54%
	FY16	FY17	FY18	FY19	FY20	Blended 5-year average
Approved Overall	0.0%	0.0%	0.0%	2.5%	3.0%	1.1%
Submitted Overall	0.0%	0.0%	0.0%	3.0%	3.0%	1.2%
Approved Commercial	6.0%	2.5%	0.7%	2.5%	3.5%	3.04%
Submitted Commercial	6.0%	3.0%	0.7%	4.0%	4.0%	3.54%

University of Vermont Medical Center: NPR/FPP Payer Mix and Gross to Net Revenue (%)

UVMHC
NPR/FPP Payer Mix



UVMHC
NPR/FPP as % of Gross Revenue



University of Vermont Medical Center: Recommendations

	FY21 Request	Options	Preliminary Decision
NPR/FPP	5.7% request is above the budget-to-budget growth rate ceiling	<ul style="list-style-type: none">Anticipated volume increase combined with favorable payer mixes should maintain approximately 5.7% NPR/FPP growth	
Change in Charge	7.97% overall 7.97% commercial	<ul style="list-style-type: none">Reduce requested change in charge to 6.28%	
Additional Recommendation		<ul style="list-style-type: none">Commensurate reductions to expenses	

Suggested motion language:

*Move to approve University of Vermont Medical Center's budget, with an NPR/FPP **increase** of 5.7% from FY2020 to FY2021 budget with commensurate reductions to expenses, a 6.28% **increase** to commercial effective rate, a 6.28% **increase** to overall change in charge, and subject to the standard budget conditions as outlined on Slide 27.*

University of Vermont Medical Center: Deliberation and Vote



	FY21 Request	Options	Decision
NPR/FPP	5.7% request is above the budget-to-budget growth rate ceiling	<ul style="list-style-type: none"> Anticipated volume increase combined with favorable payer mixes should maintain approximately 5.7% NPR/FPP growth 	<ul style="list-style-type: none"> Reduce growth to 5.0%, approved on September 16, 2020
Change in Charge	7.97% overall 7.97% commercial	<ul style="list-style-type: none"> Reduce requested change in charge to 6.28% 	<ul style="list-style-type: none"> Approved as 6.0% commercial effective rate (4.0% standard, 2.0% COVID) on September 16, 2020
Additional Recommendation		<ul style="list-style-type: none"> Commensurate reductions to expenses 	<ul style="list-style-type: none"> Commensurate reductions to expenses